



DHHS REPORT ON LOCAL INPATIENT COMMUNITY HOSPITAL CONTRACTS (3 WAY CONTRACTS) UPDATE

Joint Legislative Oversight Committee
On Mental Health, Developmental Disabilities and
Substance Abuse Services
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3 Way Contracts

Basic Information

- Contract between a Community Hospital, DHHS and an LME to purchase **expanded** Inpatient Psychiatric Capacity
- Expanded Beds =
 - Opening New Beds (CON or State Hospital Bed Transfer)
 - Staffing Up Unused Capacity (Licensed but not staffed)
 - Opening Existing Bed Capacity to Involuntary Commitments



3 Way Contracts Basic Information

- Payment Rate = \$750 per day (Hospital Daily Rate + Psychiatric Care + Discharge Medications)
- Contract gives participating Hospitals priority in transfers to State Hospitals—Encourage taking difficult patients



3 Way Contracts Basic Information

- Contract requires effective discharge efforts
- Available Funding = \$29,121,644
- Phase-In issues associated with new funding/new contracts



3 Way Contract Goals

- Increase Community Psychiatric Inpatient Capacity
- Treat Consumers Closer to Home—Improve Hospital Transitions
- Reduce Short-term Admissions (7 days or less) to State Hospitals
- Decrease Emergency Room Wait Times & Impact on Law Enforcement
- Stop Trend toward Closure of Community Inpatient Beds



LME Contract Responsibilities

- Authorization of Admissions
- Collecting Patient Data
- Facilitating Discharge Planning (Follow Up Appointment within 7 days)
- Coordinating Discharge Planning with Other LMEs
- Submit Hospital Claims to DMH/DD/SAS
- Pay Hospitals Within 10 working Day of Receipt of State Payment



FY 09-10 3-Way Hospital Contract Utilization

- Total Funding Available = \$20, 121,644
- Total Expenditures = \$20, 121,644
- # of Active 3-Way Hospital Contracts = 20
- # of Bed Days Purchased = 26,829
- # of Beds at 75% Utilization = 98 Beds

NOTE: Funding was moved between hospital contracts to achieve maximum utilization



FY 10 – 11 3-Way Hospital Contract Utilization

- Total Funding Available = 29, 121,644
- # of 3-Way Hospital Contracts = 20 (1 pending in Mecklenburg County)

NOTE: Added Pitt Memorial/WHN did not renew St. Lukes due to low utilization

- FY 10-11 Funding was increased/decreased among hospitals based on increased and FY 09-10 actual utilization



FY 10 – 11 3-Way Hospital Contract Utilization Cont'd

- Focus on supporting, expanding, annualizing existing contracts
- Fewer Start Up Issues
- Projected Bed Day Purchases = 38,829
- Projected Beds at 75% Utilization = 142



Bed Allocation Strategies

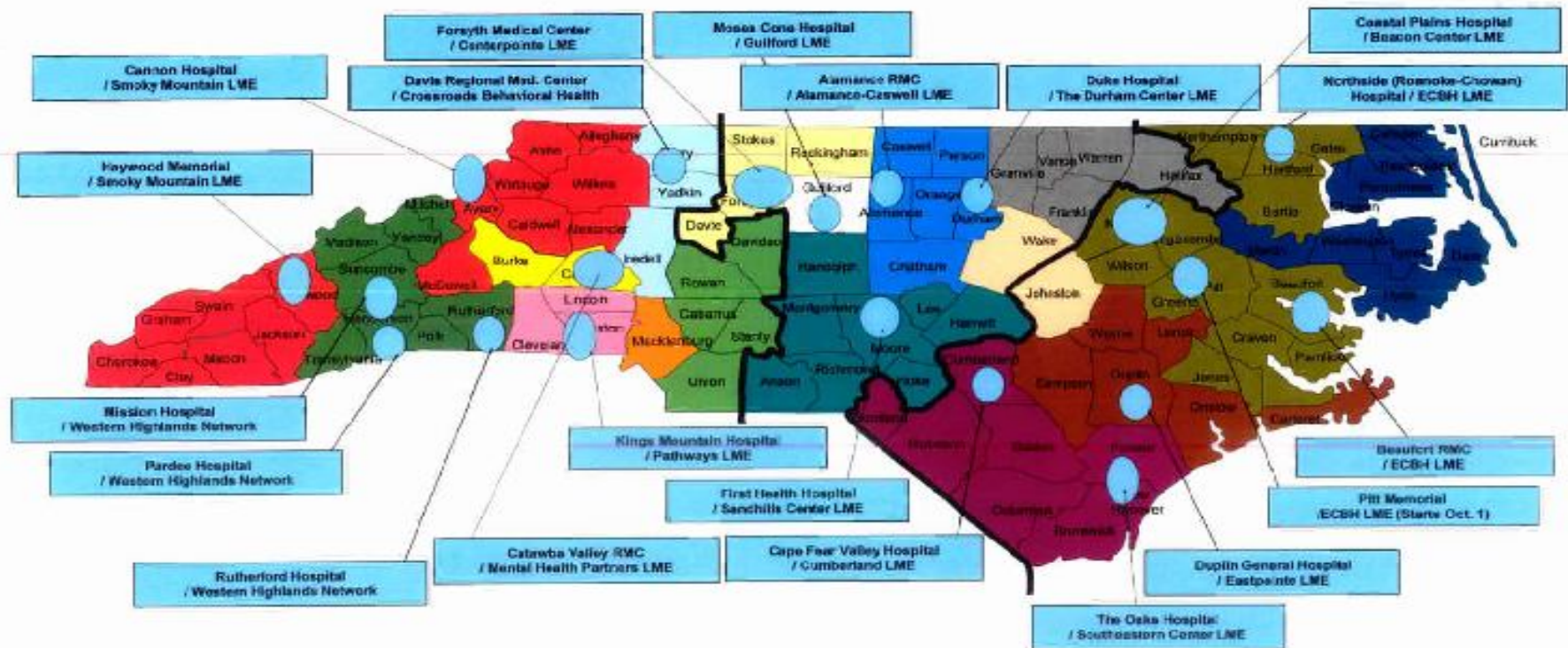
- # of Short Term Admissions to State Hospitals
- Geographic Coverage
- Support for Community Emergency Rooms
- Build on existing contracts

FY 10 – 11
3 Way Contract
Inpatient Hospital

LME Name	Hospital Name	2011 Contract Amount
Mental Health Partners	Catawba Valley	3,285,000
Pathways	Kings Mountain	1,026,563
Alamance-Caswell	Alamance Regional	821,250
Sandhills	Moore Regional	2,394,000
Durham	Duke University Health	1,048,500
Centerpoint	Forsyth Memorial	2,941,500
Cumberland	Cape Fear Valley Hosp.	1,026,563
Eastpointe	Duplin General	1,095,000
Beacon Center	Nash Hospitals (Coastal Plain)	2,941,500
ECBH	Beaufort Regional Medical	615,938
ECBH	Northside @ Roanoke-Chowan	1,368,750
Smoky Mountain	Haywood Regional	1,095,000
Smoky Mountain	Charles A. Cannon Memorial	821,250
Southeastern Center	The Oaks	2,120,250
Western Highlands	Margaret Pardee Memorial	821,250
Crossroads	Davis Regional Med. Cntr	1,026,562
Guilford	Moses Cone Hospital	821,250
Western Highlands	Mission Hospital	1,026,563
Western Highlands	Rutherford Hospital	615,938
ECBH	Pitt Memorial	460,688
Mecklenburg	Presbyterian (in progress - 8 beds)	1,503,000
Totals		28,876,315

NOTE: Beds funded at 75% - 100% based on anticipated utilization

Total 3-Way Contract Community Hospital Beds (As of 10-25-10)



NOTE: One pending contract in Mecklenburg County not listed on map above



3-Way Contract Funding/Beds By Region

- Central Region: \$8,026,500 = 39 Beds
- Eastern Region: \$9,628,689 = 47 Beds
- Western Region: \$11,221,126 = 55 Beds
- Total: \$28,876,315 = 141 Beds*

* Assumes 75% utilization at \$750 per day



Contract Tracking Requirements

- Separate State Billing Code
- Admissions
- Hospital Denials
- Bed Utilization
- Transfers to State Hospitals
- Billing/ Expenditure Data



Initial Outcomes

- Readmission Rates

	State Hospitals	3-Way Contracts
30 Days	10%	6.2%
180 Days	20%	11.2%

- Clinical Capacity Building
3-Way Contract + CABHA = Increased Community Psychiatric Capacity
- State Hospital Admissions – 7 Days or Less
 - FY 07 – 08 = 6,306 (46% of total)
 - FY 08 – 09 = 3,499 (40% of total)
 - FY 09 – 10 = 1,733 (27% of total)

NOTE: Decreases also a function of State Hospital bed reductions and admission delays



Conclusion

- 3-Way Contracts = Effective Platform for supporting short term community psychiatric care
- 3-Way Contracts = Support for Consumers/ERs/Law Enforcement in serving seriously ill Mental Health patients
- Hospital Demands for Indigent Care exceeds available funding
- Existing Bed Retention – Potential Loss of Existing Capacity